

THE TORONTO STOCK EXCHANGE

TORBRIT SILVER MINES LIMITED
(Non-Personal Liability)

FILING STATEMENT NO. 1544.
FILED, MAY 4th, 1967.

Full corporate name of Company
Incorporated under the Laws of the Province of British Columbia as a specially
Limited Company by Memorandum of Association dated October 9th, 1946.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1220.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	To reflect the present status of the Company and to report particulars of litigation involving the Company.		
2. Head office address and any other office address.	Head Office - Suite 1102, 347 Bay Street, Toronto, Ontario. Registered Office in British Columbia - c/o Messrs. Meredith, Marshall, McConnell & Scott, 789 West Pender Street, Vancouver, British Columbia.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	David W. Smith President & Director	906 Riverdale Ave., Calgary Alberta.	Petroleum and Mining Executive Self-employed
	W. Clarke Campbell Secretary & Director	95 Dunvegan Road, Toronto, Ontario.	Solicitor, Partner - Day, Wilson, Campbell & Martin
	Robert A. White Vice-President & Director	312 Heath Street E., Toronto, Ontario.	Security Salesman 1959 - 63 - Bongard & Co., 1963 - present Davidson & Company
	Leon F. LaPrairie Director	24 King George's Rd. Toronto 18, Ontario.	Mining Geologist Self-employed for past five years
	Kenneth E. Meredith Director	Suite 800, 789 West Pender St., Vancouver, B.C.	Solicitor, Meredith, Marshall, McConnell & Scott
	C. S. Eaton Jr. Director	Northfield, Ohio, U.S.A.	Industrialist Self-employed for more than 15 years.
	R. W. Moody Director	78 The Kingsway, Toronto, Ontario.	Employee of Davidson & Company early 1967 - previously Investment Manager, Montreal Trust Company since 1961.
	R. P. Mills, Vice President & Director	621 Craig Street W., Montreal, Quebec	Mining Executive, President, Mid-Chibougamau Mines Ltd.
	H. J. O'Connell Director	6460 Cote de Liesse Rd. Dorval, P.Q.	Industrialist President, H. J. O'Connell Ltd., for last 15 years
	Montague Larkin Director	56 Warren Road, Toronto, Ontario.	Stock Broker Bache & Co. for past five years
	Paul A. Smith, Assistant-Secretary	2174 Herridge Dr., Clarkson, Ontario	Trust Officer Montreal Trust Company
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 5,000,000 shares of a par value of \$1.00 each. Issued - 3,000,000 shares.		
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None		
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.		

8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company's future development plans are, in general, the continued exploration for and development of potential mining properties, directly or through participation in exploration and development prospects.
10. Brief statement of company's chief development work during past year.	<p>(1) Diamond Drilling with inconclusive results on the 4,225 acres in Groete Creek Area, British Guiana under exclusive permission lease. The operation has been suspended. The cost to date \$28,296.00.</p> <p>(2) Four holes drilled on the Lakeview-Dividend property in the Osoyoos Lake Area, British Columbia, held under option agreement which has been cancelled. Cost to date \$46,000.00.</p> <p>(3) Acquisition of an interest in 18 claims in the Shiningtree Area of Ontario, Amyot Township, at a cost to date of \$400.00.</p>
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Gee & Co., 25 King Street West, Toronto 1, Ontario. 204,000 shares</p> <p>Midland-Osler Securities Limited, 44 King Street West, Toronto 1, Ontario. 275,350 shares</p> <p>Roytor & Co. No. 1 Account, c/o The Royal Bank of Canada, 2 King Street East, Toronto 1, Ontario. 1,133,500 shares</p> <p>MCKYBE & Co., 90 Union Commerce Bank, Cleveland, Ohio, U.S.A. 600,000 shares</p> <p>Bache & Co., 360 Bay Street, Toronto, Ontario. 41,400 shares</p> <p>Rix-Athabasca Uranium Mines Limited are the beneficial owners of the shares registered in the name of Roytor & Co. No.1 Account.</p> <p>Mid Chibougamau Mines Ltd. are the beneficial owners of the shares registered in the name of MCKYBE & Co.</p> <p>The beneficial ownership of the other shares referred to above are not known to the signatories hereto.</p>

SCHEDULE "A"

18. The Company is a party to or otherwise interested in the following litigation:

- (i) In the Supreme Court of Ontario between Michael Morgenstern suing on behalf of himself and all shareholders of Torbrit Silver Mines Limited (Non-Personal Liability) save Rix-Athabasca Uranium Mines Limited and Mid Chibougamau Mines Ltd., Plaintiff, and J.A. Bourne, R.G. Crompton, D.R. Berry, C.S. Eaton Jr., D.M. Lorimer, D.R. McBride, R.P. Mills, H.J. O'Connell, N.J. Short, M.M. Sinclair, (the then directors of the Company) and Torbrit Silver Mines Limited (Non-Personal Liability), Defendants, being Writ No. 3356/65 dated May 25th, 1965.

In effect the Plaintiff's claim was for an injunction enjoining the defendants from holding the annual general meeting of Torbrit called for May 28th, 1965, and from purchasing and continuing to show in the books of Torbrit the shareholdings of R.J. Jowsey Mining Company Limited as investments of Torbrit. Immediately following issue of the aforesaid Writ application was duly made to the Court for an injunction, heard and dismissed. The Plaintiff has not proceeded any further with the action.

- (ii) In the Supreme Court of Ontario between Murray M. Sinclair, suing on behalf of himself and all other shareholders of R.J. Jowsey Mining Company Limited (which includes Torbrit, the single largest shareholders), Plaintiff, and F.H. Jowsey, J.L. Jowsey, J.J. Rankin, Eric Scott, A.W. Stollery, R. Whitely, H. Katz and R.J. Jowsey Mining Company Limited, Defendants, being Writ No. 4365/65 dated July 9, 1965.

The Plaintiff's claim was for a declaration that the Board of Directors elected at the annual meeting of R.J. Jowsey Mining Company Limited held on July 7th and 8th, 1965 was not the legal or duly elected Board and an injunction restraining that Board from acting or purporting to act in any way as directors or officers of R.J. Jowsey Mining Company Limited, and for certain further relief.

On July 12th, 1965, the Plaintiff obtained an injunction in the terms aforesaid which injunction was continued until after trial of the action which was heard in September of 1966, the Honourable Mr. Justice Wilson reserving judgment until after the annual meeting of shareholders of R.J. Jowsey Mining Company Limited, ordered to be held. The meeting was held on November 1st, 1966 and at that meeting the nominees of Torbrit were duly elected directors of R.J. Jowsey Mining Company Limited, and the injunction aforesaid was lifted.

On February 2nd, 1967 judgment was handed down ...

- "1. Declaring the annual meeting of shareholders on July 7th and 8th, 1965 to have been null and void.
2. Declaring the defendants were not legally elected directors of the company by that meeting.
3. Restraining them from acting as directors or officers as a result thereof.
4. Restraining them as such directors from doing or purporting to do any act whatever by or on behalf of the R.J. Jowsey Mining Company Limited.

5. Requiring the defendants and each of them, their servants and agents to deliver to the president of the company all books, records and documents and other property of the company of every kind and nature including its corporate seal in their possession or under their control.
6. Declaring null and void all acts done and proceedings taken by them as such directors, save those done in the ordinary course of the company's business.
7. Directing a reference to the Master to take an accounting of the company's accounts to November 1st, 1966 to ascertain what, if any moneys were paid out, other than in the ordinary course of business. If there were such, to ascertain by and to whom they were paid. Further directions and judgment in respect of this issue are reserved until after the Master shall have made his report.
8. Dismissing the plaintiff's claim for a declaration that he, R.G. Crompton, D.R. Derry, M.J. Short, Cyrus S. Eaton Jr., M. Larkin and J.F. Fant were duly elected directors at the said annual meeting of shareholders.

"The foregoing is subject to any orders or judgments made or given by this court on or since the date of the completion of the trial, in this action or in any other proceedings."

The plaintiff's claim for damages to the Company and to the plaintiff personally was dismissed, and fraud having been alleged and not proven costs in relation to that issue were awarded to the defendants F.H. Jowsey and R. Whitely, Q.C., on a solicitor-client basis. Costs were also awarded to the Company and the other defendants down to the commencement of the trial. Costs were refused to the plaintiff in relation to those issues where he was successful.

The then directors of Torbrit agreed to indemnify the Plaintiff Sinclair from all claims, costs and expenses incurred by him in any way arising out of the aforesaid action, said action having been commenced by him at the request of and on behalf of the Company. (The present Board of Directors has confirmed the indemnification.)

(iii) In the Supreme Court of Ontario between Frederick H. Jowsey, suing on behalf of himself and all other shareholders of R.J. Jowsey Mining Company Limited except the Defendants, Plaintiff and Murray M. Sinclair, Robert G. Crompton, Donald M. Lorimer, P.B. Bell, David C.G. Menzel, Cyrus Eaton Jr., Norman Short, Midland-Osler Securities Limited, Davidson & Company and R.J. Jowsey Mining Company Limited, Defendants, being Writ No. 4548/66 dated June 29, 1966.

No claim was made against Torbrit, however, the then directors of Torbrit agreed to indemnify the defendants from all claims, costs and expenses incurred by them arising out of the aforesaid action since it was considered that all of the litigation arose out of the need for the company to enforce its rights as a shareholder of R.J. Jowsey Mining Company Limited. (The present Board of Directors approved and confirmed the indemnification.)

Application was made to strike out the action which application was allowed and the action was dismissed with costs.

- (iv) In the Supreme Court of British Columbia between Frederick Hurdman Jowsey, suing on behalf of himself and all other Shareholders of Torbrit Silver Mines Limited (Non-Personal Liability), other than the personal defendants, and Rix-Athabasca Uranium Mines Limited, Mid Chibougamau Mines Limited (No Personal Liability) and Guardian Growth Fund Limited, Plaintiffs, and Torbrit Silver Mines Limited (Non-Personal Liability), Robert G. Crompton, Cyrus S. Eaton Jr., Montagu Larkin, D. R. McBride, Randolph P. Mills, Ronald W. Moody, H.J. O'Connell, Norman J. Short, Murray M. Sinclair, John A. Bourne, Rix-Athabasca Uranium Mines Limited, Mid Chibougamau Mines Limited (No Personal Liability), Guardian Growth Fund Limited, Defendants, being Writ No. 3684-66 dated October 24, 1966.

The Plaintiff claims that a certain security deposit transaction and the purchase of shares of R.J. Jowsey Mining Company Limited are unlawful and void and among the remedies sought was an Order appointing a receiver and manager of the company and an injunction restraining the company from voting its shares of R.J. Jowsey Mining Company Limited. Application for the aforesaid remedies was made on October 27th, 1966 and the Court put the application over for one week and the shares of R.J. Jowsey Mining Company Limited were voted at the annual meeting of the company held on November 1st, 1966.

The motion was subsequently argued and the motion seeking the appointment of a receiver and manager dismissed.

The Board of Directors of the Company has agreed to indemnify the Directors and Officers of the Company party to the action against all claims and expenses incurred by them and arising out of the action and similarly Guardian Growth Fund Limited and its officers and directors to the extent that the Company is legally capable of so doing and such other defendant may be entitled.

- (v) In the Supreme Court of Ontario in the matter of R.J. Jowsey Mining Company Limited and in the matter of The Corporations Act, R.S.O. 1960, Chap. 71 and in the matter of Section 256 subs (d) thereof, commenced by originating Notice of Motion dated November 9, 1966.

Notice of motion has been served upon R.J. Jowsey Mining Company Limited (a Company controlled by Torbrit) to the effect that an application will be made on behalf of Frederick H. Jowsey for an order that R.J. Jowsey Mining Company Limited be wound up. By orders of the Court the Company, its officers, directors, servants and agents are restrained until final disposition of the motion from dealing with any capital assets of the Company or doing any act which depreciates or impairs the capital assets or undertaking.

- (vi) In the supreme Court of British Columbia between the Company as Plaintiff and The Royal Bank of Canada and Union Commerce Bank of Cleveland as Defendants. The Company claims that deposit of its securities in a custodial account with The Royal Bank pursuant to a security deposit arrangement with the Union Commerce Bank of Cleveland is ultra vires and void.

FINANCIAL STATEMENTS

TOREBIT SILVER MINES LIMITED
(Incorporated under the laws of British Columbia)

BALANCE SHEET

DECEMBER 31, 1966

ASSETS

Current assets:
Interest and dividends receivable
Prepaid expense

Total current assets

Investments, at cost:
Marketable securities (approximate market value
\$1,277,000) (notes 1 and 2) -
R. J. Jowsey Mining Company Limited
Other

Total marketable securities
Mexican Investors Limited

Other assets, at cost less amounts written off:
Deferred exploration expenses
Patents

LIABILITIES

Current liabilities:
Accounts payable and accrued charges
Demand loan payable

Total current liabilities

Shareholders' equity:
Capital -
Authorized:
5,000,000 common shares of \$1 par value each
Issued:
3,000,000 shares
Deficit

1,680,177

1,023,414
531,763

1,555,177
125,000

1,137
1

1,138

\$1,693,037

\$ 25,733
150,000

175,733

3,000,000
1,482,696

1,517,304

On behalf of the Board:

Director

Director

\$1,693,037

See accompanying notes

TORBRIT SILVER MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1966

1. The indicated market values of the marketable securities are the result of pricing the holdings at the closing quoted market prices at December 31, 1966. Such amounts do not necessarily represent the value of entire blocks of holdings which may be more or less than the value indicated by market quotations.
2. The company has undertaken to maintain, free from hypothecation, an investment portfolio with a market value of \$1,200,000 in return for certain options.
3. Legal fees include approximately \$44,000 arising from litigation incurred in connection with the Company's investment in R.J. Jowsey Mining Company Limited.

TORBRIT SILVER MINES LIMITED

STATEMENT OF PROFIT AND LOSS AND DEFICIT

YEAR ENDED DECEMBER 31, 1966

Revenue:		
Investment income -		
Interest	19,559	
Dividends	<u>11,039</u>	\$ 30,598
Expenses:		
Exploration expenses	85,928	
Consulting fees	17,222	
Directors' fees	2,250	
Legal fees (note 3)	52,077	
Administrative expenses	<u>14,645</u>	<u>172,122</u>
Loss for the year		141,524
Deficit, December 31, 1965		<u>1,326,112</u>
		1,467,636
Add net loss on sale of investments		<u>15,060</u>
Deficit, December 31, 1966		<u>\$1,482,696</u>

See accompanying notes

TORBRIT SILVER MINES LIMITED

BALANCE SHEET

AS AT MARCH 31st, 1967

ASSETS

CURRENT ASSETS

Cash	3,311.20	
Dividends & Interest Receivables	4,272.27	
Prepaid Expense	<u>1,000.00</u>	8,583.47

INVESTMENTS (Market Value - \$1,367,153.80)

Marketable Securities	530,329.83	
R. J. Jowsey (1,506,097.66 shares)	1,023,413.01	
Mexican Investors (50,000 shares)	<u>125,000.00</u>	1,678,742.84

OTHER ASSETS

Advances under prospecting agreements	1,137.54	
Sundry	<u>1.00</u>	1,138.54

\$1,688,464.85

LIABILITIES

CURRENT LIABILITIES

Accounts payable	23,119.24	
Demand loan	<u>150,000.00</u>	173,119.24

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized 5,000,000 shares at a par value of \$1.00 each		
Issued and fully paid 3,000,000 shares	3,000,000.00	
Deficit March 31st, 1967	<u>1,484,654.39</u>	<u>1,515,345.61</u>
		<u><u>\$1,688,464.85</u></u>

TORBRIT SILVER MINES LIMITED
(NON-PERSONAL LIABILITY)

Leon Belmont

Kelvin A. White

TORBRIT SILVER MINES LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE THREE MONTHS ENDING MARCH 31st, 1967

INCOME

Dividends	1,636.82
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DISBURSEMENTS

Bank Charges	2.50	
Interest Expense	840.49	
Office Services	600.00	
Printing	498.92	
Telephone	.84	
Travel Expense	751.00	
Withholding Tax	483.76	<u>3,177.51</u>

Net loss to March 31st, 1967	1,540.69
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Deficit January 1st, 1967	1,482,695.10
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Add loss on sale of securities	<u>418.60</u>	<u>1,483,113.70</u>
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Deficit March 31st, 1967		<u><u>1,484,654.39</u></u>
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TORBRIT SILVER MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD JANUARY 1ST, 1967 TO MARCH 31ST, 1967

SOURCE OF FUNDS:

Proceeds on sale of investments	1,015.19
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APPLICATION OF FUNDS:

Net loss on operations (see statement)	<u>1,540.69</u>
Reduction in working capital for the period	525.50
Deficit in working capital, January 1st, 1967	<u>164,010.27</u>
Deficit in working capital, March 31st, 1967	<u><u>\$164,535.77</u></u>

SCHEDULE "B"

TORBRIT SILVER MINES LIMITED

INVESTMENTS

MARCH 31st, 1967

<u>BONDS</u>	<u>Book Value</u>	<u>Market Value</u>
50,000 Joutel Copper Mines 6% due 31-12-75	47,125.00	48,500.00
100,000 Laurentide Financial Corp. "7" Conv. 6½% due 01-11-75.	97,750.00	88,000.00
100,000 Molybdenum Corp. of America 5½% due 01-12-76	89,671.03	91,500.00
50,000 Western Mines Ltd. Inc. 6% due 15-06-73	48,000.00	49,000.00

PREFERRED STOCK

2,000 International Utilities Corp. U.S. \$1.32

62,250.00

COMMON STOCK

2,000 Crush International Ltd.
 500 Hudson Bay Mining & Smelting
 520 Interstate Department Stores Inc.
 5,000 Jockey Club Ltd.
 1,000 Scot Lad Foods Inc.
 800 George Westons
 130,000 Jessop Mines Ltd.

29,550.00
 42,493.75
 17,689.02
 25,250.00
 28,661.03
 18,140.00
 15,000.00

OTHER

530,329.83

474,044.00

1,506,097.66 R. J. Jowsey Mining Co. Ltd.
 50,000 Mexican Investors

1,023,413.01
 125,000.00

768,109.80
 125,000.00

1,148,413.01

893,109.80

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Rix-Athabasca Uranium Mines Limited, Suite 1102, 347 Bay Street, Toronto, Ontario, is presently in a position to materially affect control of the Company. By virtue of his controlling interest in New Nipiron Mines Limited, David W. Smith, 560 Guinness House, Calgary, Alberta, is in a position to materially affect control of Rix-Athabasca Uranium Mines Limited.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	See Schedule " B " on page 10.
18. Brief statement of any lawsuits pending or in process against company or its properties.	See Schedule " A " on pages 3, 4 and 5.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None not previously disclosed.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>The Directors referred to in Item 4 hereof were elected at the Annual General Meeting of the company held on March 31st, 1967, and the Officers elected and/or appointed at the Meeting of Directors immediately following the Annual Meeting.</p> <p>The Options referred to in Note 2 to the accompanying Financial Statement gave the Company the right to purchase (i) from Mid Chibougamau Mines Limited (No Personal Liability) up to 350,000 shares of the capital stock of Preissac Molybdenite Mines Limited (No Personal Liability) at 50¢ per share during 1965, and 60¢ per share during 1966 and at 70¢ per share during 1967;</p> <p>(ii) from Technical Services Inc. up to 100,000 shares of the capital stock of Preissac on or before March 31, 1967, at 50¢ per share during 1965, at 60¢ per share during 1966, and at 65¢ per share during 1967. (In September 1965 Technical Services Inc. was discharged from this Option and the Company was given the right to purchase from International Bond and Equity Corporation, 10,000 class "A" shares of its capital stock at \$7.50 per share on or before December 31st, 1965, and at \$8.50 per share on or before December 31st, 1966).</p> <p>None of the Options has been exercised.</p> <p>There are no other material facts. Shares of the Company are not presently in the course of primary distribution.</p>

CERTIFICATE OF THE COMPANY

DATED April 21st, 1967.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"D.W. Smith"

TORBRIE SILVER MINES LIMITED
Per: David W. Smith CORPORATE SEAL
President

"R.A. White"

CERTIFICATE OF UNDERWRITER OR OPTIONEE Vice-President

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

